

# Beth Linkenhoker - Sunelco Solar

Thank you for inviting us to this forum, and for listening to our views. My name is Beth Linkenhoker. I am the operations manager at Sunelco Solar.

Renewable energy is one of the fastest growing industries in the world. It is vital to breaking our dependence on foreign oil. And, it has practically unlimited growth potential. Renewable energy is sitting where the .com industry was in the early nineties; poised and ready to be available to every household and business.

At Sunelco, we have been designing and selling renewable energy systems, primarily solar, for over 25 years. Five years ago, there were 4 businesses in Missoula and the Bitterroot valley in the solar industry. Today there are 12 companies that have listings in the Yellow pages for solar sales and installation. (This does not include electricians that are doing installations without actually selling the equipment.) At 2-5 employees per company, that is between 16 and 40 new jobs created in the last 5 years in Missoula and the Bitterroot Valley alone.

It goes without saying that new industries create new jobs. Because renewable energy is a relatively new industry, fostering this kind of development is investing in **NEW** jobs. They are good paying jobs in sales, technical design, installation, manufacturing and research and development; the kind of jobs that will bring stable economic growth to Montana.

Montana has the resources available to foster a healthy renewable energy equipment production industry as well. Those resources include but are not limited to an abundance of good wind for power generation; low electricity prices; an existing producer of raw silicon; a factory that manufactures the equipment needed to manufacture solar modules; a wind generator manufacturer; a strong, educated workforce; and a very well established and knowledgeable distribution network. Together, these resources provide the underpinning for growing a renewable energy equipment manufacturing industry, and will encourage other renewable energy manufacturers to locate here. It will enhance our current image as a clean and green state, while preserving our reputation of being a safe and pleasant tourist destination.

Economic incentives, like the 30% federal tax credit and utility generated grant funds are what are **driving** the renewable energy industry. In my opinion, Montana is lagging in providing adequate incentives to its citizens if it is going to foster this industry. The current renewable energy tax incentive in MT is 100% of the system cost, with a cap of \$500 per taxpayer, \$1000 per household. This 500-1000 dollar tax credit is not enough motivation when someone is considering a 10 - 30,000 dollar investment in a renewable energy system. Some of our neighboring states have rebates and tax credits significantly greater than Montana's. Minnesota \$10,000 for wind, Oregon and Utah have tax credits for any type of renewable energy system of 6000 and 2000 dollars respectively. Montana needs to get on board and change the structure of the tax credit to reflect the size of the investment. This can be done with a lower percentage and higher cap (for example: a tax credit on 30% of the system cost with a cap of 4 or 6 thousand dollars per household.)

Furthermore, Montana's tax incentive is currently applicable only to one's primary residence. Lifting that restriction and allowing the tax credit to be applied to renewable energy systems installed on businesses, rentals, second homes, etc. would encourage a wider range of renewable energy applications. Making these changes to the current structure of Montana's tax laws would greatly support the growth of our renewable energy industry, benefiting both the citizens and the small businesses of the state.

Another driver for renewable energy is the Renewable Portfolio Standard or RPS, which directs investor-owned utility companies to provide a certain portion of their electricity from renewable sources. Montana's RPS is 15% and Northwestern Energy is the only utility company required to maintain this standard. Two thirds of the states have an RPS; 24 of them are at or above 15% and as high as 33%.

In 1997 Montana established the USB Program or Universal System Benefit. This very important program provides funds for low-income energy assistance, energy efficiency and for development of renewable energy projects. It helps Northwestern Energy meet the Renewable Portfolio Standards and creates an incentive for individuals and businesses to invest in Montana.

At Sunelco, we understand the value of these incentives. In 2006, grid interactive systems were 13.8% of our retail sales. In 2010, grid tie was over 43% of retail sales - an increase of nearly 30% in 4 years. Incentives are a small price to pay for the rapid growth to an industry that has such economic potential. The kind of growth that we have seen will allow us to hire even more employees in the future.

I urge you to look carefully at the economic benefits the renewable energy industry has to offer Montana. Unlike oil, gas and coal, it is an industry in its childhood with nothing but potential and growth. Investments in renewable energy will continue to pay dividends decades into the future.